

REMARKS

Claims 1-21 have been rejected under 35 U.S.C. § 102(e) over Sandretto (US Pat. No. 5,812,988). Reconsideration of this rejection is respectfully requested.

The present invention relates to a portfolio accounting and risk management system for use by, for example, individual self-directed investors to manage the risk of their portfolios. The investor is able to manage the amount of assets placed at risk in any given investment and for the portfolio as a whole. Using this approach, the investor will lose no more than is planned, while at the same time enjoying whatever gains may materialize. (Applicant's specification, page 2, lines 6-15)

Thus, the presently claimed method and system relate to managing a particular portfolio. It allows an investor to answer the questions "How much to buy?" (for example, in terms of dollar or percentage at risk) or "When to sell?" (the stop-loss price). The risk algorithms of the present method and system are tactical and allow the user to take action with regard to the purchase or sale of investment instruments for a particular portfolio.

Sandretto relates to external economic variable inputs along with fundamental data specific to a particular company in order to create valuations and tentative net present values for assets. That is, Sandretto is concerned with valuing an asset, such as a firm or a stock. Sandretto does not relate to how the purchase or sale of a particular number of shares or contracts of an asset would affect the risk of an individual portfolio.

More particularly, the presently claimed method and system allows a user to store a plurality of parameters associated with

an investment instrument, including a stop-loss price and an equity value of a portfolio. A point risk value is determined by multiplying the number of shares or contracts by a value comprising the market price minus the stop-loss price for a long transaction or the market price plus the stop-loss price for a short transaction. A number of shares or contracts associated with the point risk value are determined for a plurality of selected size risk values. A plurality of risk scenarios corresponding to the size risk values are displayed.

Sandretto does not disclose or suggest these recitations of the present claims. Accordingly, independent claims 1, 10, 19, 20, and 21 and the claims dependent therefrom are believed to be patentable thereover.

Claims 9 and 18 have been objected to. These claims have been amended to address the matter noted by the Examiner, and this objection is believed to be overcome.

The Abstract has been amended to less than 150 words. Accordingly, this objection is believed to be overcome.


Applicant has reviewed the other prior art of record and believes that it does not disclose, teach, or suggest the presently claimed invention. In view of the above amendments and remarks, all claims are believed to be in condition for allowance, and reconsideration and indication thereof are respectfully

Application No. 09/587,619  
Filed June 5, 2000  
TC Art Unit: 3624  
Confirmation No.: 8863

requested. The Examiner is encouraged to telephone the undersigned attorney to discuss any matter that would expedite allowance of the present application.

Respectfully submitted,

JAMES P. COPPOLA III

By:   
Beverly E. Hjorth  
Registration No. 32,033  
Attorney for Applicant

WEINGARTEN, SCHURGIN,  
GAGNEBIN & LEBOVICI LLP  
Ten Post Office Square  
Boston, MA 02109  
Telephone: (617) 542-2290  
Telecopier: (617) 451-0313

BEH/dkh/292941